

2018

## **Licensing Agreement - WHE-partner 2018**

Western Heads East



**Western University (Western Heads East) Fiti Probiotic Foods Licensing Agreement  
Between  
Western University (Western Heads East)  
And  
Mikono Yetu Centre for Creativity and Innovation**

Western University is a world-class research-intensive university in London, Ontario, Canada. Western Heads East (WHE) is a collaboration between Western University staff, students, faculty and African partners using probiotic food to contribute to health and sustainable development. An innovative and multidisciplinary initiative, the program engages students in applying pioneering research with a nutrition program based on Fiti probiotic foods to help build immune response, address malnutrition and improve general health, promote women's empowerment, and contribute to sustainable economic development.

In 2005, the program began in Mwanza, Tanzania with a sustainable community development project. In collaboration with the Kivulini Women's Rights Organization, WHE worked with women's groups, developing a model to implement social enterprises based on Fiti probiotic yogurt community kitchens. Mikono Yetu Centre for Creativity and Innovation was established to empower women and girls economically and has taken the lead with training, development and quality control to expand the program in Tanzania. The program has grown to support the development of kitchens in Kenya and Rwanda. The Fermented Foods For Life IDRC grant enabled the probiotic bacteria to be available in sachets (technological development by Yoba for Life) which greatly increased the accessibility of the probiotics allowing the program to grow exponentially.

The Fiti probiotic yogurt was developed by Dr. Sharareh Hekmat and Dr. Gregor Reid at Western University and partnerships were formed with local universities and community organizations to implement the program within their communities. Hubs were established in Tanzania, Kenya and Rwanda for distribution of Fiti sachets, training, support, and quality control. Mikono Yetu is one such hub in Tanzania and will lead the establishment and support of Fiti community kitchens in Tanzania.

Community kitchens must employ consistent quality control standards resulting in a good product containing active *Lactobacillus rhamnosus* GR-1 probiotic bacteria in sufficient amounts ( $>10^7$  per mL) to confer maximum health benefits.. The goal is that Fiti probiotic foods be accessible to the general public at the lowest price possible and be of high quality. Therefore, it is important that community kitchens and social enterprises who wish to make the probiotic foods adhere to the conditions set out in this licensing agreement.

This agreement is made and entered into between the **Western University**, Canada on behalf of its Western Heads East Program (hereinafter called Licensor), and **Mikono Yetu Centre for Creativity and Innovation**, Mwanza, Tanzania (hereinafter called the Licensee), having its principle office at

---

# Western University (WHE) Fiti Probiotic Foods Licensing Agreement

## 1. Quality Control

To ensure quality control in the production of healthy Fiti probiotic products, the Licensee agrees to:

- a) Maintain a hygienic kitchen environment and best practices with respect to food safety and probiotic foods production consistent with the standard operating procedures provided by the Licensor. Groups that intend to sell Fiti in supermarkets must also adhere to local Food and Drug Administration and Bureau of Standards;
- b) Produce only Fiti **probiotic foods** for sale. Non-probiotic products do not confer the same health benefits and may be misleading to consumers;
- c) Communicate regularly with Saint Augustine University of Tanzania to order Yoba/Fiti probiotic sachets at least one month before needed;
- d) Refrain from producing other food products within the community kitchen as this may contaminate the Fiti;
- e) Name the probiotic foods **Fiti** for branding purposes and quality assurance. Standard labels, logos, look and colours must be adhered to for consistent branding recognition. Any deviation must be discussed with the Licensor. Individual organization names can also be added to the label to recognize the individual social enterprises. In this way, consumers can count on the content, quality and health benefits of Fiti probiotic products. When people see Fiti anywhere, they know what they're getting.

The Licensee has no rights to sub-licence the term Fiti under this Agreement and therefore the Licensee cannot allow a third party to use the term Fiti without the express approval of the Licensor.

## 2. Profit and Revenues

A goal of the Licensor's WHE program is that selling the Fiti probiotic foods will contribute, not only to the health of the community, but to the economic empowerment of the women and community groups who produce Fiti and to the economic development of the broader community. As a social enterprise, it is intended that profits from the businesses are rolled back into the program and contribute to the further development of the program and its goals towards increased community health and economic empowerment. To that end, the Licensee agrees to:

- a) Operate as a not-for-profit organization whereby all revenue from the sales of Fiti probiotic foods offset all operating expenses for the business including wages of the women/producers, rent, milk supply, equipment, marketing, probiotic sachets, and all other expenses incurred in running the probiotic foods operation. Sale of the Fiti products or use of the brand name by a large for-profit dairy operation is in direct violation of this agreement;

- b) Apply profits beyond basic operations to future expansion, equipment planning needs, and other costs associated with the community kitchen and production of the Fiti probiotic yogurt;
- c) Pay ten percent (10%) of profits (after covering basic operational costs) to the Licensor or to a fund or organization agreed upon by the Licensor and Licensee in advance that will contribute to the development of the local WHE program (e.g. microloan program, conference, etc.). The Licensor does not seek to profit from the Fiti program;
- d) Maintain appropriate financial records clearly showing the total revenues and total expenses of the operation. Financial records, together with monthly bank statements, will be made available to the Licensor for auditing purposes.

### **3. Fiti Production, Sales, Program Development, and Reporting**

In keeping with the goal to provide the Fiti probiotic foods to as many people as possible to improve community health, the probiotic per person unit price must be set as accessible/affordable by most. Upon consultation with the Licensor, a higher charge will be permitted for up to 20% of a daily production run, if said charge is to target a wealthier population in order for the income generated from sales to be applied back to the growth and development of the program. As a community project, Mikonothe Licensee will collaborate with the probiotic social enterprises and local organizations related to nutrition, community health, women's empowerment and sustainable social enterprise (e.g., small industries development, health institutes, HIV/AIDS programs, city administration, hospitals, women's rights organizations, universities, community kitchens, etc.).

To develop the social enterprises/community kitchens to the fullest potential and to best serve the needs of the community, the Licensee will:

- a) Develop methods to track production costs and sales to enable the individual community social enterprises to arrive at the cost per unit and plan for future sales;
- b) Set sales targets for sales of probiotic foods for sustainable growth and support setting targets at community kitchens/social enterprises;
- c) Develop a business plan to sketch a sustainable growth model for the kitchen and identify new markets to increase probiotic food consumption in the community. Support community kitchens to do the same;
- d) Provide public education on the health benefits so that the community recognizes Fiti as the healthy, probiotic food that meets all of the above standards and is connected to research and education at Western University and participating East African Universities and Health Institutions;
- e) Meet with each community kitchen it establishes under this Agreement on a regular basis to collect data and provide production and financial reports describing progress toward meeting the objectives of the business plan of Mikono Yetu. Support the development of community kitchens throughout the region,

who will be required to sign a similar agreement adhering to the mission of the WHE program and consistent operational standards. Conduct regular training and an annual conference for local Fiti programs;

- f) Collaborate with Western University, the local university and local health institutions to conduct research to evaluate the impact of the probiotic social enterprises on the lives of participants and within the community;
- g) Support student interns from Western University and the local university(ies) who will collaborate on learning, research and the specific goals identified by the individual host organization (e.g. community kitchen, NGO, institution);
- h) Permit an in-house inspection by Licensor who will visit on a regular basis to ensure quality control, and to review adherence to the terms of the licensing agreement. Where deficiencies are identified, the Licensee will have 30 days to comply or the agreement may be terminated by the Licensor.

#### **4. Operational Issues**

To ensure a hospitable, welcoming, efficient, and most importantly, safe community kitchen/social enterprise, the Licensee agrees to:

- a) Develop a constitution to guide operations, (example constitution Tukwamuane Women's Group). This document should include a statement of philosophy that encompasses the Licensee's passion for the program, a strong desire to participate, and a wish to bring health to their community;
- b) Consider equitable participation and an avenue for input from those employed within the program and Fiti probiotic food recipients;
- c) Act as a hub for public health and nutrition information as well as education on the health benefits of probiotics to the community through posters and community discussions with educational resources. Licensee will make these resources available to community kitchens/social enterprises;
- d) Maintain the kitchen/social enterprise in good repair. All equipment will be regularly maintained and replaced as needed to meet quality control standards;
- e) Incur the costs related to such repairs and maintenance, and to absorb such costs in the profits retained from the operation of the community kitchen/social enterprise;
- f) Assist new operations in developing a plan to cover the costs and expenses related to the start-up of a new community kitchen. A start-up "budget" will be provided to the Licensee, which provides suggested costs but is not necessarily exhaustive;

#### **5. Term and Termination**

This Agreement shall act as the Licensee’s legal guidelines for the duration of the Licensee’s operation, or until such time as it is determined to be in need of revision or restructuring or until it is terminated by the Licensor or Licensee in accordance with these provisions..

The Licensee may terminate this agreement with 30 days’ notice to the Licensor. Any equipment or materials purchased or provided by the Licensor will be returned to the Licensor or, at the Licensor’s direction, be delivered to another licensee.

Any Fiti probiotic community kitchen not meeting the requirements in this licensing agreement may be terminated on 30 days’ notice from the Licensor to the Licensee. Equipment purchased by the Licensor and/or Licensee will be delivered and given to the another community kitchen on the the Licensee’s waiting list.

Failure to perform in accordance with the terms presented above in this Licensing Agreement shall be grounds for the Licensor to terminate the agreement with the Licensee on 30 days’ notice by from the Licensor to the Licensee. Upon termination, the Licensee shall cease all use of the term “Fiti” and shall return to the Licensor all equipment provided by the Licensor.

## **6. Amendments**

The terms of this Agreement are subject to such reasonable additions and amendments, as are agreed upon by the Licensor and the Licensee.

## **7. Territory**

The Licensee shall only be permitted to establish Fiti branded community kitchens under this Agreement in Tanzania.

**In witness whereof, the parties hereto have caused this agreement to be executed by their duly authorized representatives.**

The effective date of this agreement is \_\_\_\_\_, 20\_\_\_\_.

**Licensor** \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Organization: \_\_\_\_\_

**Licensor** \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Organization: \_\_\_\_\_

**Licensee** \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Licensee** \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Organization: \_\_\_\_\_

Organization: \_\_\_\_\_